

**APPENDIX I**  
**W912DR-04-R-0012**  
**GLOSSARY OF SELECTED TERMS**

The Terms within this glossary are defined for purposes of this solicitation. If the definition of a term conflicts with general usage, the definition in this Appendix or within the solicitation controls.

**Advisors:** Personnel who may assist the evaluators and provide their specialized, expert input regarding the strengths, weaknesses, proposal inadequacies, risks, and deficiencies in proposals. These advisors will not determine ratings or rankings of offerors' proposals.

**Ancillary Supporting Facilities: Facilities** related to military housing units, which include tot lots, community centers, housing offices, dining facilities, unit offices, and other similar facilities for the support of military family housing.

**Asset Management:** Asset Management includes making or providing counsel on both operational and financial decisions impacting the value of the asset. This includes making decisions on the effectiveness of the Property Manager to perform their functions as well as cost benefit analysis of major capital improvement decisions, distributions of cash flow, ownership changes, taking down or repaying additional debt or equity, etc. Asset management in this context is an ancillary service provided by the property manager for an additional fee to provide stewardship services to the entity that holds the asset. This service could include providing administrative oversight to the entity, including coordinating the ownership meetings, facilitation of the Major Decision process, as well as accounting and reporting of consolidated operations and development for the entity.

**Audited Financial Statements:** Financial statements of a company that have been professionally examined and verified by a Certified Public Accountant (CPA) to ensure fairness, consistency and conformity with Generally Accepted Accounting Principles (GAAP).

**Basic Allowance for Housing (BAH):** Represents the amount allocated to each service member to cover the cost of housing, utilities, and insurance. It is adjusted annually to reflect increases or decreases in the local market area cost of housing. It is also adjusted when the service member's rank changes.

**Basket-of-Zeros:** A discounting method, which defines the present value of a series of payments as the value today of a collection of zero-coupon bonds that, at maturity, exactly match the cash flow observations.

**Cash Waterfall:** A display that depicts the projected uses of project revenue, and the seniority and cost of those uses. The chart reflects the uses of the BAH revenue, in order of priority (i.e., operating expenses before loan repayment).

**Clarifications:** Limited exchanges, between the Government and offerors, for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. See FAR 15.306(a).

**Comments:** An observation that, had the weakness been addressed in a different manner, it would have added more value.

**Communications:** Exchanges between the Government and offerors after receipt of proposals, leading to establishment of the competitive range. This term is normally used to clarify adverse past performance information to which an offeror has not had a prior opportunity to respond. Communications may be conducted to enhance Government understanding of proposals, allowing reasonable interpretation of the proposal or to facilitate the Government's evaluation process. See FAR 15.306(b).

**Community Development and Management Plan ("CDMP"):** Business plan for the specific installation project that will set forth the terms of the contractor's long-term relationship with the Army.

**Competitive Range:** A range established by the Contracting Officer and approved by the Source Selection Authority that includes all of the most highly rated offerors / proposals that have met acceptability standards for the evaluation factors. Discussions must be held with all offerors determined to be in the competitive range. See FAR 15.306(c).

**Completed Development Project:** A residential component consisting of a minimum of 350 units, all located within a geographic radius of one mile, of multi-family low rise (three stories or less), attached or detached family housing units. A project is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease up has begun.

**Completed Project:** Construction or renovation is substantially concluded and occupancy has begun.

**Completed Project Phases:** A residential component consisting of a minimum of 350 units, all located within a geographic radius of one mile, of multi-family *low rise* (three stories or less), attached or detached family housing units. A phase is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease up has begun.

**Completed Residential Projects:** A project is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease-up has begun.

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**Completed Residential Phases:** A phase is completed if at least 350 units have received a certificate of occupancy or similar occupancy permit and lease-up has begun. A phase is completed if at least 350 units have received a certificate or similar occupancy permit and lease up has begun.

**Contracting Officer:** The only person with the authority to sign the contract, obligate government funds, and enter into, administer, and/or terminate a contract. See FAR 2.101.

**Contractor:** Also known as the development partner, i.e., an entity having a contract to provide specific services / products / deliverables. Also, the awardee of this contract.

**Capital Formation:** Capital formation is synonymous with structured financing. Structured financing involves creating the ownership structures that will raise the debt and equity to fund the project cost.

**Debt:** Capital loaned, without an ownership interest, at an agreed upon interest rate for a determinable term of years.

**Developer:** A person or company who has an ownership interest in and develops, improves real estate and builds, sells, and/or leases residential units placed thereon.

**Differential Lease Payments:** Payments that provide additional income stream to a housing provider or entity (e.g., partnership, corporation).

**Direct Loan:** A loan that is made by the government to the contractor under the Military Housing Privatization Initiative (MHPI) authorities.

**Discussions:** Meeting with potential contractors that take place with all firms within the competitive range, tailored to each offeror's proposal, to maximize the Government's ability to obtain best value, based on the requirements and the evaluation factors set forth in the Request for Qualifications.

**Equity:** The portion of an ownership interest in an asset such as real property or securities that is net of the amount financed. The amount of cash or other tangible capital invested in a real property asset whose risk of return is solely dependent upon the financial success of the asset and which is typically not secured by a debt instrument.

**Escrow:** Money, securities, or other property or instruments delivered by one party into the hands of a neutral third party, to be held by the third party until the conditions of a contract are met, and then delivered to the ultimate recipient. Also, an account for payment of specific items, such as property taxes and insurance.

**Evaluation Factors:** Factors that will be considered in evaluating proposals tailored to the RFQ that have an impact on the source selection decision.

**Evaluation Team:** Evaluation Team (ET) will examine each offeror's submittal applying the evaluation factors contained in the RFQ and following the source selection plan. The ET will produce a summary of facts and findings required in further conduct of the evaluation process. The ET shall report to the Source Selection Authority.

**First Mortgage Loan:** A real estate loan that gives the mortgagee (lender) a primary lien against a specified piece of property. A primary lien has precedence over all other liens in case of default.

**Fiscal Year:** A continuous 12-month time interval used for financial reporting. It is also the federal budget cycle which starts on 1 October and ends on 30 September of each year.

**Gap Financing:** Financing for the difference between how much a project costs and how much a borrower has available to finance the project through equity and first mortgage loan.

**Generally Accepted Accounting Principles (GAAP):** A technical term encompassing conventions, rules, and procedures of accounting that are "generally accepted" and have "substantial authoritative support". Normally developed by agreement on the basis of experience, reason, custom, usage, and practical necessity, rather than being derived from a formal set of theories.

**Ground Lease or Land Lease:** A contract where an owner of land grants to another the right to possess and use that land for a specified period of time in exchange for valuable consideration.

**Guaranty:** An agreement to pay the debt or perform the obligation of another in the event the debt is not paid or obligation not performed.

**Guaranteed Loan:** A first lien mortgage loan made by an approved private sector lender, for which DoD guarantees payment to the lending institution if loan defaults are caused by specified events, including most importantly, base closure, downsizing, and extended deployments (collectively referred to as "guaranty threshold events").

**Guaranty Threshold Events:** A base closure, downsizing, or extended deployments.

**Hard Costs:** In new construction, includes payments for land, labor, materials, improvements, and the contractor's fees.

**Joint Venture:** An association of two or more firms or individuals to operate a single business entity for profit.

**Lease:** A signed contract between the property owner or authorized agent and an occupant granting use of real property during a certain period in exchange for a specified rent.

**Loan:** A written promise committing the borrower to pay the lender an agreed-upon amount of money either on demand or at a specified future date, with or without interest.

**Low Rise:** 3 stories or less

**Military Housing Privatization Initiative (“MHPI”):** The authorizing legislation for the military family housing privatization program. This legislation is found at title 10 of the United States Code, Section 2871 through 2885.

**Office of Management and Budget (“OMB”):** Part of the executive Office of the President that recommends and monitors federal programs and funding levels, develops and issues government-wide policy guidance on management concerns, and reviews proposed regulations. It is the governmental entity responsible for determining scoring implications.

**Office of Management and Budget (OMB) Scoring:** The quantification of a future / potential liability to the government as a result of a contractual obligation or agreement. OMB scoring, as mandated by the Credit Reform Act of 1990 and further refined in OMB Circulars A-11 and A-129, requires the government agency involved to obligate funds to cover the scoring determination prior to the closing of the contract / agreement. By obligating these funds up-front, the government is effectively setting aside, similar to an insurance premium, that amount determined to cover the down-stream liability in the event that liability occurs.

**Operated or Managed:** Includes without limitation -- leasing, marketing, lease renewals, rent collection, payment of expenses, cash receipts and disbursements, funding reserve accounts, performance of repairs and routine maintenance as well as scheduled capital improvements, establishment of community governance structures, adherence statutory and regulatory requirements, and promotion of a pleasant living environment.

**Ownership interest:** Partner has contributed cash or other equity directly to the entity that controls the project and the risk of return of that amount contributed is directly affected by the success of the project.

**Past Performance Data:** Data submitted with the offeror’s proposal, contractors’ references, contractor report cards, survey data, or other data available to the source selection authority.

**Privatization:** The process of converting a publicly operated enterprise into a privately owned and operated entity.

**Pro Forma Financial Statement:** Financial statements showing what income, expenses, and net earnings are expected to occur based on assumed or anticipated facts.

**Project's Lock Box:** A payment structure that ensures funds designated for a particular use are indeed used for that purpose. Normally, the lock-box format is tied to the cash waterfall.

**Proprietary Information:** Data or information owned by a contractor that is not publicly available.

**Property Management:** Property management is the on site management of the day to day activities of a real estate asset. The property manager is hired by the owner of a property and rated on the ability to carry out functions in a manner which produces the maximum net operating income for the asset over a long term horizon. This includes: 1) Leasing - Actively marketing the asset to produce the highest occupancy rate at the highest possible rental income. 2) Operations - Providing the highest level of service to occupants at the lowest cost possible with the objective of attracting and retaining occupants. This includes, common area amenities (pools, club houses, tot lots, jogging trails etc.), property accounting, landscaping, trash removal, etc. 3) Maintenance and Repair - This includes on-going maintenance of occupied units, common areas as well as maintenance on units during turnover. Turnover maintenance may include; cleaning, carpet replacement and painting the unit. 4) Capital Improvements - The service is typically related to minor capital improvements such as carpet replacement, appliances, or other individual units or common area replacements. The property owner will typically contract separately for major capital improvements to an asset, although the property manager may be involved in the coordination of that improvement.

**Repayment Plan:** An alternate repayment schedule that is agreed upon by project creditors as part of a loan default cure.

**Scoring:** See Office of Management and Budget (OMB) Scoring above.

**Significant Weakness:** A flaw in a proposal that appreciably increases the risk of unsuccessful contract performance.

**Small Business Concern:** A concern, including its affiliates, that is independently owned and operated and is not dominant in the field of operation in which it is bidding on government contracts. A small business concern must meet government criteria and size standards for its particular industry. See FAR 19.001.

**Soft Costs:** Outlays for architecture & engineering, interest, fees, appraisals, marketing, and third-party charges associated with real estate development.

**Source Selection:** A competitive procurement process where this award decision will be based on a detailed examination of the Statement of Qualifications, evaluation factors, and the oral clarifications.

**Source Selection Authority (SSA):** The individual responsible for the proper and sufficient conduct of the entire source selection process, encompassing proposal RFQ, evaluation, selection, and contract award. The SSA approves the competitive range and, along with the Contracting Officer, makes the final selection of the source(s) for award and approves execution of the contract(s).

**Source Selection Plan (SSP):** A comprehensive plan that describes the approach and selection criteria for the evaluation and rating of the proposals and how the contractor will be selected.

**Statement of Qualifications (“SOQ”):** Written document submitted by an interested offeror in response to Section 4.3 of this RFQ.

**Strength:** A characteristic of an offeror’s proposal that meets and / or exceeds an element of the solicitation and contributes to the conclusion that the offeror can successfully accomplish the installation project.

**Weakness:** A characteristic of an offeror’s proposal that fails to meet an element of the solicitation and contributes to the conclusion that an offeror cannot successfully accomplish an installation project.

**Zero-Coupon Bond or Deep Discount Bond:** A bond with a coupon rate of zero percent (pays no explicit interest) whose face value is paid at maturity, it is called a zero-coupon bond. Ordinarily, such securities are not issued by the Treasury for maturities of longer than one year, but are indirectly available through the Separate Trading of Registered Interest and Principle of Securities (STRIPS) program which allows holders of eligible securities to separately trade coupon or principal payments in the secondary market and to combine them.